



MINUTES OF THE CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

For the meeting held on
April 26, 2011
980 9th Street, Conference Center, 2nd Floor
Sacramento, California 95814

Chairman Jimenez called the meeting of the California Infrastructure and Economic Development Bank (I-Bank) Board to order at approximately 1:35 p.m.

1. Call To Order and Roll Call.

The following Board members were in attendance:

Augustin Jimenez represented the Secretary of the Business, Transportation and Housing Agency.

Francisco Lujano represented the State Treasurer.

Leslie Lopez represented the Secretary of the State and Consumer Services Agency.

D. Everett Rice, Governor's appointee.

The following I-Bank staff members were in attendance:

Stan Hazelroth, Roma Cristia-Plant, Paula Connors, and Molly Arnold.

2. Executive Director's Report.

Executive Director Stan Hazelroth reported to the Board that:

- ❖ Since the last I-Bank Board meeting, the plaintiff in the *George v. I-Bank* case filed an appeal in time to perfect his rights to appeal the trial court's dismissal of his case. Subsequently, the plaintiff has unilaterally dismissed his appeal and this case is now concluded.
- ❖ Since the last I-Bank Board meeting, no action has been taken on the proposed Security and Exchange Commission (SEC) rules implementing certain requirements of the Dodd-Frank Act involving certain board members registering as investment advisors.
- ❖ On March 12, 2011, he and Assistant Executive Director Roma Cristia-Plant gave a presentation about the I-Bank and its programs to a meeting of the Assembly Committee on Jobs, Economic Development and the Economy.
- ❖ The annual California Association for Local Economic Development conference will be in Sacramento this week. Earlier this morning he and staff attended an Access to Capital Roundtable in which attendees brainstormed various obstacles and solutions to the small businesses seeking start up and expansion capital. Staff will attend the conference tomorrow and Thursday.
- ❖ I-Bank employee, Tad Thomas, attained 25 years of State service on March 1st.

Consent Item:

3. Approve minutes from the meeting held on March 29, 2011.

Chairman Jimenez called for questions or comments from the Board and the public. Hearing none, he entertained a motion to approve this consent item. Mr. Rice moved to approve the minutes and Ms. Lopez seconded the motion. The minutes were unanimously approved.

Action Items:

- 4. Resolution No. 11-06 approving the first amendment to a loan agreement dated as of July 1, 2009, by and among the I-Bank, California Bank & Trust and The John Thomas Dye School entered into for the benefit of The John Thomas Dye School to finance an economic development facility in the City of Los Angeles, California, which amendment will extend the date of disbursement of certain undisbursed loan proceeds from July 10, 2011 to July 10, 2012, and amend corresponding sections of the loan agreement to permit loan repayment to commence prior to the final draw of funds.**

Ms. Connors presented a staff report describing the request from The John Thomas Dye School to amend the loan agreement as stated in the agenda item. Ms. Connor explained that the loan agreement originally entered into on July 1, 2009, authorized a loan of up to \$14.5 million for The John Thomas Dye School to finance the construction and development of an 15,000 square foot academic building, a parking structure and two 1,000 square foot administrative pavilions located at 114114, 11415 and 11364 Chalon Road in the city of Los Angeles. She stated that as the end of the draw period approaches, the school would like to preserve the ability to draw some or all of the remaining loan proceeds to fund the completion of the improvements, which are 98% complete. The school reports that the bank lender has consented to the extension of the draw period to July 10, 2012. She also stated that the loan agreement amendment will require the commencement of the payment of amortized loan principal and interest starting on July 10, 2011, allow the school to draw additional amounts under the loan agreement for approximately one additional year, correct an ambiguity in the description of the location of the financed project, and make related changes to the school's financial covenants.

Chairman Jimenez called for any additional questions or comments from the Board or the public. Hearing none, he entertained a motion to approve Resolution No. 11-06. Mr. Lujano moved to approve the resolution and Mr. Rice seconded the motion. The Board unanimously approved the resolution.

- 5. Resolution No. 11-07 authorizing an amendment to the financial consultant services contract with Public Resources Advisory Group to increase the total amount of the contract authority to an amount not to exceed \$75,000.**

Ms. Connors presented a staff report describing this and the next agenda item together, and described staff's proposal to amendment to the financial consultant services contract with Public Resources Advisory Group (PRAG) to increase the contract amount by \$50,000 with a total amount not to exceed \$75,000, and a proposed amendment to the special counsel services contract with Stradling, Yocca Carlson & Rauth (Stradling) to increase the contract amount by \$50,000 with a total amount not to exceed \$125,000. She stated that on December 27, 2010, the I-Bank entered into an 18-month Interagency Agreement with the Department of Finance on behalf of the Fi\$Cal project, a resource enterprise project involving the acquisition of a multi-year commitment by the State of California to utilize Enterprise Resource Planning technology to transform the state's accounting and budgetary systems and workforce to operate in an integrated financial management system environment. The amendment would allow for the use of the I-Bank's contracts with PRAG and Stradling for work related to the Fi\$Cal project. The

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cost of the FI\$Cal-related services under these contracts will be reimbursed to the I-Bank under the Interagency Agreement.

Chairman Jimenez called for any or comments from the Board and the public. Hearing none, he entertained a motion to approve Resolution No. 11-07. Mr. Rice moved to approve the resolution and Ms. Lopez seconded the motion. The Board unanimously approved the resolution.

6. Resolution No. 11-08 authorizing an amendment to the special counsel services contract with Stradling, Yocca Carlson & Rauth to increase the total amount of the contract authority to an amount not to exceed \$125,000.

Chairman Jimenez called for any or comments from the Board and the public. Hearing none, he entertained a motion to approve Resolution No. 11-08. Ms. Lopez moved to approve the resolution and Mr. Lujano seconded the motion. The Board unanimously approved the resolution.

Other Non-Action Business.

Chairman Jimenez called for any other business; there was none.

Public Comment.

Chairman Jimenez called for any public comment; there was none.

Adjournment.

Chairman Jimenez declared the meeting adjourned at approximately 1:51 p.m.